

## FNS Oversight of State Agency Systems

WIC State agencies are provided considerable latitude in how their systems are designed and developed. Program regulations require that systems provide accountability (i.e., expenditure monitoring, food instrument reconciliation, audit trails, food instrument security, program integrity requirements, etc.), and all State agency systems do this with varying effectiveness. State agencies must weigh their automation funding needs against other Program funding needs.

FNS plays a role at both the National and regional level in overseeing State agency system acquisitions, and prior approval must be received for MIS purchases in excess of \$25,000. FNS reviews State agency system acquisition plans for cost reasonableness, system functionality, and consistency with program goals. Written notification from the State agency is necessary whenever procurements are expected to exceed \$5,000. For automation projects that are between \$500,000 and \$3 million, the State agency is required to submit an Advance Planning Document (APD) to their FNS regional office for approval. The APD, which is a plan for the expenditure of funds, includes a description of needs, explanation of purchase(s), a budget, cost allocation proposal (if applicable), and a description of the procurement method. At their discretion, the Regional Office may require that State agencies submit other documents for review, such as feasibility studies, functional requirements documents, or cost/benefit analyses.

WIC projects exceeding \$3 million require headquarter approval by the Agency's APD Oversight Committee. These project reviews are performed by an interdisciplinary review team composed of regional office and headquarter experts in financial management, WIC program management, and information technology. This oversight of the use of MIS funds is consistent with the Agency's (FNS's) Strategic Plan goal to ensure program integrity and prevent program loss through improved stewardship of Federal funds.

Guidance on the development of an acceptable APD is available to all WIC State agencies through the FNS Handbook 901. The WIC 5-Year Technology Plan (attached) will have a minimal impact on the APD process. The MIS Workgroup believes the APD review process works well and that there is no need to create another review process to accommodate the requirements of the Technology Plan. Therefore, State agencies will continue to submit their APD's to FNS for approval under the existing guidelines.